

## Message Text

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TO SECSTATE WASHDC 9127

INFO AMEMBASSY OTTAWA

AMCONSUL QUEBEC BY POUCH

AMCONSUL TORONTO BY POUCH

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E. O. 11652: N/A

TAGS: EINV, EIND, EMIN, CA

SUBJ: PQ ASBESTOS POLICY

REF: MONTREAL 552

1. BEGIN SUMMARY: IN ATTEMPTING UPDATE REFTEL ON QUEBEC ASBESTOS INDUSTRY, CONGEN HAS SPOKEN WITH OFFICIALS OF QUEBEC GOVERNMENT, JOHNS-MANVILLE CO., AND ASBESTOS CORP. ON BASICS, THERE IS LITTLE TO ADD TO EARLIER REPORT. MINISTER OF NATURAL RESOURCES BERUBE REFUSES TO BE DRAWN OUT ON DETAILS OF NEW ASBESTOS POLICY, EXPECTED TO BE ANNOUNCED SHORTLY. GIST OF HIS COMMENTS INDICATE, HOWEVER, THAT HEALTH REGULATIONS WILL BE TIGHTENED, THAT HE CONTINUES TO BELIEVE ADDITIONAL FABRICATION OF ASBESTOS PRODUCTS CAN BE UNDERTAKEN IN QUEBEC, AND THAT GOVERNMENT MAY BE WILLING TO SPEND SOME MONEY IN PURSUIT OF ITS OBJECTIVES. POSSIBILITIES OF NATIONALIZATION, AS REPORTED EARLIER, CONTINUE TO APPEAR NEGLIGIBLE.

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2. COMPANIES HAVE STILL HAD NO FORMAL CONTACT WITH GOVERNMENT ON SUBJECT OF NEW ASBESTOS POLICY, AND HAVE NO IDEA WHAT GOVERNMENT MAY PROPOSE. WHILE ALL APPEAR WILLING TO COOPERATE WITH GOVERNMENT, THEY MAINTAIN THAT POSSIBILITIES FOR ADDITIONAL FABRICATION OF ASBESTOS IN QUEBEC ARE LIMITED, UNLESS GOVERNMENT TAKES MEASURES TO ENCOURAGE SUCH PRODUCTION IN FORM OF FISCAL INCENTIVES, SUBSIDIES, OR BY REQUIRING USE OF ASBESTOS IN CERTAIN

TYPES OF BUILDING PROJECTS. WITH REGARD TO HEALTH MEASURES, IT IS ANTICIPATED THAT ASBESTOS CORP. (54 O/O-OWNED BY GENERAL DYNAMICS) WILL FACE PROBLEMS IN COMPLYING, UNLESS GOVERNMENT IS LIBERAL IN SETTING COMPLIANCE DATES.

3. AFTER PUBLIC ANNOUNCEMENT OF GOVERNMENT POLICY WE ANTICIPATE THAT SCENARIO WILL CALL FOR GENERAL MEETING WITH INDUSTRY, PERHAPS IN JULY. COMPANIES WOULD THEN BE EXPECTED TO RESPOND INDIVIDUALLY WITH PROPOSALS TO MEET GOVERNMENT OBJECTIVES. WHEN ALL VOTES ARE IN, WE SUSPECT THAT COMPANIES WILL FIND IT EASIER TO LIVE WITH NEW POLICY THAN WILL UNIONS AND MILITANT PQ MEMBERS. END SUMMARY

4. GOVERNMENT ASBESTOS POLICY  
THE GOVERNMENT OF QUEBEC REMAINS GUARDED IN ANNOUNCING ANY DETAILS OF PROPOSED POLICY FOR THE ASBESTOS INDUSTRY. WITH A NEW POLICY SCHEDULED TO BE ANNOUNCED SHORTLY, DETAILS OF THE PROGRAM ARE STILL NOT AVAILABLE. MINISTER OF NATURAL RESOURCES, YVES BERUBE, WHO IS HANDLING THE ASBESTOS PORTFOLIO FOR THE GOVERNMENT, HAS REFUSED TO BE DRAWN OUT ON SUBJECT IN APPEARANCES BEFORE NATIONAL ASSEMBLY AND HAS ALSO REFUSED TO DISCUSS DIRECTION OF FUTURE POLICY WITH REPRESENTATIVES OF INDUSTRY. HE HAS BEEN SIMILARLY TACITURN IN CONVERSATIONS WITH CONSULATE OFFICIALS, STATING THAT IT WOULD BE INAPPROPRIATE FOR HIM TO COMMENT UNTIL GOVERNMENT IS PREPARED TO MAKE OFFICIAL ANNOUNCEMENT. POLICY RECOMMENDATIONS ARE NOW REPORTED TO BE ON LIMITED OFFICIAL USE

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PREMIER LEVESQUE'S DESK, AWAITING HIS APPROVAL. BERUBE HAS TOLD US THAT THE GOVERNMENT IS PREPARED TO SPEND SOME MONEY IN IMPLEMENTING ITS ASBESTOS POLICY. WHEN ASKED IF PROVINCIAL GOVERNMENT'S FINANCES WOULD PERMIT SUCH EXPENDITURES, HE REPLIED THAT MONEY FOR INVESTMENT PURPOSES WAS ALWAYS AVAILABLE.

5. FROM GENERAL TONE OF BERUBE'S COMMENTS, BOTH IN PUBLIC AND TO US PRIVATELY, IT IS APPARENT THAT THE GOVERNMENT STILL BELIEVES THERE IS SOME POSSIBILITY FOR FURTHER FABRICATION OF ASBESTOS PRODUCTS IN QUEBEC. BERUBE HIMSELF PLAYED PART IN CALCULATIONS WHICH LED TO EARLIER PQ STATEMENT THAT ADDITIONAL FABRICATION OF ASBESTOS PRODUCTS IN QUEBEC COULD AUGMENT EMPLOYMENT BY APPROXIMATELY 8,000. PRODUCTS MOST LIKELY FAVORED BY GOVERNMENT FOR FABRICATION IN QUEBEC INCLUDE ASBESTOS CEMENT, ASBESTOS PANNELING, AND INSULATION PRODUCTS. BERUBE'S STUDIES INDICATE THAT SOME ASBESTOS PRODUCTS ARE OFTEN SHIPPED FOR CONSIDERABLE DISTANCES IN FINISHED FORM, AND HE USES THIS TO SUPPORT HIS CONTENTION THAT ASBESTOS COULD BE FABRICATED ECONOMICALLY IN QUEBEC FOR SHIPMENT TO OTHER MARKETS.

6. HEALTH STANDARDS  
IT IS ALSO APPARENT FROM BERUBE'S REMARKS THAT THE GOVERNMENT

WILL TAKE NECESSARY MEASURES TO ENSURE OBSERVANCE OF HEALTH REGULATIONS IN THE ASBESTOS INDUSTRY. GOVERNMENT REGULATIONS WILL PROBABLY BE BASED ON BEAUDRY COMMISSION REPORT WHICH RECOMMENDED THAT LEVEL OF 5 FIBERS PER 2 CC NEVER BE EXCEEDED, WHICH AS MATTER OF PRACTICE REQUIRES THAT NO MORE THAN 2 FIBERS PER CC BE PERMITTED IN ANY AREA OF PLANT. PRESENT REGULATIONS REQUIRE ONLY THAT COMPANIES MEET "AVERAGE" OF 5 FIBERS PER CC OVER 8 HOUR PERIOD. BERUBE INDICATED THAT GOVERNMENT WOULD LIKE TO ENACT REGULATIONS REQUIRING THE ASBESTOS INDUSTRY TO MEET PRESCRIBED STANDARDS WITHIN A YEAR FROM ENACTMENT. JOHNS-MANVILLE HAS TOLD QUEBEC GOVERNMENT THAT 2 FIBER STANDARD SHOULD BE ESTABLISHED POLICY AND THAT IT COULD BE ACHIEVED BY ANY COMPANY CONCERNED ABOUT WELFARE OF ITS EMPLOYEES. JOHNS-MANVILLE BELIEVES THAT IT CAN MEET 2 FIBER STANDARD AT ALMOST LIMITED OFFICIAL USE

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EVERY MONITORING STATION, AND THAT AVERAGE WOULD BE WELL BELOW 2.

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7. COMPANY THAT WILL BE MOST AFFECTED BY HEALTH REGULATIONS APPEARS TO BE ASBESTOS CORPORATION, WHICH IS 54 O/O-OWNED BY GENERAL DYNAMICS, AND WHICH IS SECOND LARGEST PRODUCER, AFTER

JOHNS MANVILLE, OF ASBESTOS IN QUEBEC. BERUBE TOLD REPORTING OFFICER THAT THE AVERAGE FIBER COUNT FOR ASBESTOS CORP'S MILLS APPROXIMATED 50 FIBERS PER CC. BERUBE'S COMMENTS WERE CORROBORATED BY JOHNS-MANVILLE OFFICIALS WHO SAID THAT DIRTINESS OF ASBESTOS CORPORATION'S OPERATIONS WERE WIDELY KNOWN IN INDUSTRY AND REPRESENTED LIABILITY FOR ENTIRE INDUSTRY. ASBESTOS CORP. REPORTEDLY POURED SO MUCH MONEY INTO DEVELOPMENT OF ITS NEW ASBESTOS HILL MINE NEAR DECEPTION BAY IN UNGAVA REGION OF QUEBEC THAT LITTLE WAS LEFT FOR IMPROVEMENT OF HEALTH CONDITIONS. COMPANY HAS RECENTLY ANNOUNCED THAT IT WILL SPEND \$30 MILLION OVER NEXT THREE YEARS TO IMPROVE WORKING CONDITIONS. INDUSTRY SOURCES SAY THIS MAY NOT BE SUFFICIENT, AND THAT ASBESTOS CORP. WILL BE EXTREMELY HARD PRESSED TO COMPLETE NECESSARY WORK WITHIN TIME FRAME LIKELY TO BE PROPOSED BY GOVERNMENT.

8. WITH REGARD TO POTENTIAL EFFECTS OF ENVIRONMENTAL AND HEALTH LIMITED OFFICIAL USE

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CONCERNS ON MARKETS FOR ASBESTOS, THERE IS RECOGNITION THAT SOME MARKETS IN DEVELOPED COUNTRIES MAY BE LOST. THIS LOSS IS EXPECTED TO BE OFFSET, HOWEVER, BY GAINS IN THE DEVELOPING COUNTRIES, ALL OF WHICH HAVE THEIR OWN CEMENT PRODUCTION CAPACITY AND FOR WHICH ASBESTOS CEMENT IS A DESIRABLE BUILDING PRODUCT.

9. GOVERNMENT-COMPANY RELATIONS

WHAT IS APPARENT FROM CONVERSATIONS BOTH WITH OFFICIALS OF JOHNS-MANVILLE AND ASBESTOS CORP. IS THAT INDUSTRY ITSELF HAS HAD ALMOST NO CONTACT WITH GOVERNMENT ON ASBESTOS POLICY. ASBESTOS CORP. REPORTS IT HAS HAD NO OFFICIAL CONTACTS WITH GOVERNMENT ON SUBJECT OF NEW POLICY. DESPITE PRESS REPORTS TO CONTRARY, CHAIRMAN OF CANADIAN JOHNS-MANVILLE REPORTS THAT LAST OFFICIAL CONVERSATION BETWEEN JOHNS-MANVILLE OFFICIALS AND PQ GOVERNMENT OCCURRED IN JANUARY FOLLOWING LEVESQUE SPEECH IN NEW YORK. AT THAT TIME, JOHNS-MANVILLE PRESIDENT MCKINNEY GAVE PREMIER LEVESQUE A LETTER OFFERING TO PARTICIPATE IN JOINT VENTURE WITH GOVERNMENT OR TO RUN AN ASBESTOS OPERATION FOR THE GOVERNMENT, UTILIZING JOHNS-MANVILLE KNOWHOW IN RETURN FOR A FEE. GOVERNMENT HAS NEVER REPLIED TO LETTER AND THERE HAVE BEEN NO CONVERSATIONS SINCE THAT TIME, OTHER THAN MEETINGS AT SOCIAL OCCASIONS.

10. TO FERRET OUT GOVERNMENT'S THINKING ON ASBESTOS POLICY, JOHNS-MANVILLE HAS NOW HIRED PUBLIC RELATIONS FIRM WITH GOOD CONTACTS WITHIN PQ GOVERNMENT. PUBLIC RELATIONS FIRM HAS TRACED JOHNS-MANVILLE LETTER TO DESK OF NATURAL RESOURCES MINISTER BERUBE, BUT HAS NOT YET COME UP WITH ANY ADDITIONAL INFORMATION. AS EXAMPLE OF LACK OF COMMUNICATION AND PRESENT CAPACITY FOR RUMORS, CHAIRMAN OF CANADIAN JOHNS-MANVILLE SAID THAT REPORTS IN PRESS LAST WEEK CONCERNING JOHNS-MANVILLE'S INTENTION TO PRODUCE ASBESTOS CEMENT PANELLING

IN QUEBEC WERE TOTALLY UNTRUE. CHAIRMAN WAS SURPRISED AT  
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NEWS AND IMMEDIATELY CALLED DENVER HEADQUARTERS TO APPRISE  
COMPANY OFFICIALS THERE. AFTER INQUIRIES, JOHNS-MANVILLE  
DISCOVERED THAT NEWS REPORTS WERE BASED ON TESTIMONY BY  
SOQUIP (QUEBEC GOVERNMENT PETROLEUM COMPANY) OFFICIAL WHO  
WAS ATTEMPTING TO GET GOVERNMENT APPROVAL TO DEVELOP NATURAL  
GAS DEPOSIT NEAR SAINT-FLAVIEN, QUEBEC. TO SUPPORT PROPOSAL,  
SOQUIP OFFICIAL EVIDENTLY SAID THAT JOHNS-MANVILLE WAS PLANNING  
TO ESTABLISH FACTORY IN AREA AND WOULD BE ABLE TO USE GAS  
SUPPLIED BY SOQUIP. WHILE THERE IS OF COURSE POSSIBILITY THAT  
THIS MAY BE WHAT PQ GOVERNMENT HAS IN MIND FOR JOHNS-MANVILLE  
AND THAT SOQUIP HAD ACCESS TO INSIDE INFORMATION, JOHNS-MANVILLE  
ITSELF IS NOT AWARE OF ANY SUCH PLANS.

11. BOTH JOHNS-MANVILLE AND ASBESTOS CORP. ARE PUZZLED AS  
TO WHY GOVERNMENT HAS NOT APPROACHED THEM DURING POLICY PLANNING  
STAGE. ONE FEASIBLE EXPLANATION IS THAT GOVERNMENT FEARS THAT  
ANY CONTACT WITH COMPANIES WOULD REQUIRE SIMILAR DISCUSSIONS WITH  
LABOR UNIONS, AND THAT GOVERNMENT BELIEVES THIS WOULD LEAD TO  
INSURMOUNTABLE DIFFICULTIES AT THIS JUNCTURE. GOVERNMENT MAY  
ALSO BE WAITING FOR FIRST INSTALLMENT OF ASBESTOS INDUSTRY STUDY,  
BEING PREPARED BY MONTREAL CONSULTING FIRM SCN AND ARTHUR D.  
LITTLE, RECOGNIZED AS WORLD'S LEADING EXPERT ON ASBESTOS.  
ALTHOUGH STUDY IS BEING FINANCED BY ASBESTOS INDUSTRY, INDUSTRY  
FEELS THAT STUDY WILL NOT BE DISCREDITED AS PARTISAN TO INDUS-  
TRY VIEWPOINT, SINCE GOVERNMENT WAS FREE TO SELECT FIRMS DE-  
SIGNATED TO CARRY OUT STUDY. FIRST INSTALLMENT IS SCHEDULED  
FOR COMPLETION WITHIN NEXT SEVERAL DAYS.

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12. PROCESSING IN QUEBEC

AS DISCUSSED IN REFTTEL, COMPANIES STILL BELIEVE THAT POSSIBILITIES FOR FABRICATION OF ASBESTOS PRODUCTS IN QUEBEC ARE LIMITED. COMPANY VIEWPOINT IS THAT IF IT WERE ECONOMICAL TO FABRICATE IN QUEBEC, THEY WOULD NOW BE DOING IT. THEY POINT OUT THAT PRESENT FABRICATING OPERATIONS IN QUEBEC ARE RUNNING WELL BELOW CAPACITY. JOHNS-MANVILLE HAS AN ASBESTOS PAPER OPERATION, NOW RUNNING AT 60 O/O CAPACITY, AND AN ASBESTOS TEXTILE PLANT, NOW RUNNING AT ABOUT 70 O/O CAPACITY. ATLAS ASBESTOS CO., THE LARGEST ASBESTOS MANUFACTURING PLANT IN QUEBEC, WHICH IS ASSOCIATED WITH BRITISH OWNERSHIP INTERESTS IN BELL ASBESTOS MINES, IS RUNNING AT 70 O/O CAPACITY AND BARELY BROKE EVEN LAST YEAR. ASBESTOS PIPE AND ASBESTOS SHEETS FOR BUILDINGS HAVE FREQUENTLY BEEN MENTIONED BY GOVERNMENT AS BEST POSSIBILITIES FOR FABRICATION IN QUEBEC. ASBESTOS PIPE, HOWEVER, IS LOSING MARKET TO PCV PIPES, WHICH JOHNS-MANVILLE ALSO PRODUCES IN QUEBEC, AND MARKET FOR ASBESTOS PRODUCTS IN QUEBEC, DUE TO CONSUMER PREFERENCES, HAVE NEVER BEEN STRONG. CITY OF MONTREAL, FOR EXAMPLE, USES ONLY CAST IRON PIPE

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FOR ITS WATER AND SEWAGE CONDUITS. ASBESTOS SHEETS ARE CONSIDERED TO BE AN EXCELLENT PRODUCT FOR CERTAIN TYPES OF BUILDING USES, BUT ARE AT COMPETITIVE PRICE DISADVANTAGE WITH MOST OTHER BUILDING PRODUCTS SUCH AS GYPSUM BOARD AND PLYWOOD. COMPANIES ALSO POINT OUT THAT FABRICATION OF BRAKE-LININGS WOULD PRESENT DIFFICULTIES WITH CANADA-US AUTO PACT, AS BRAKE-LININGS FOR CANADA ARE PRESENTLY MANUFACTURED IN US.

13. ON ECONOMIC GROUNDS, COMPANIES THEREFORE BELIEVE THAT SIGNIFICANT INCREASE IN FABRICATION ACTIVITIES, UNDER PRESENT CIRCUMSTANCES, COULD NOT BE JUSTIFIED IN QUEBEC. THIS IS NOT TO SAY THAT THERE ARE NO POSSIBILITIES. OFFICIAL OF ARTHUR D. LITTLE HAS SUGGESTED THAT REPORT WILL RECOMMEND SOME AREAS WHERE LIMITED FABRICATION MAY BE UNDERTAKEN, AND ASBESTOS CORP. BELIEVES IT HAS FOUND NEW PRODUCT WHICH IT COULD PRODUCE IN QUEBEC, BUT WHICH WOULD PROVIDE NO MORE THAN 100 NEW JOBS. COMPANIES ALSO POINT OUT THAT GOVERNMENT COULD TAILOR PROGRAMS THAT WOULD ENCOURAGE PRODUCTION IN QUEBEC. SUCH PROGRAMS WOULD HAVE TO BE BASED ON TAX CUTS OR SUBSIDIES. ANOTHER POSSIBILITY WOULD

BE SPECIFICATIONS BY GOVERNMENT THAT REQUIRE ASBESTOS PRODUCTS TO BE USED IN CERTAIN TYPES OF CONSTRUCTION. LATTER POLICY WOULD HOWEVER RAISE HUE FROM FIRMS PRODUCING COMPETITIVE PRODUCTS, AND WOULD HAVE ADVERSE EFFECT ON EMPLOYMENT IN THOSE INDUSTRIES THAT WOULD LOSE MARKETS BECAUSE OF OBLIGATORY USE OF ASBESTOS. UNDER BEST OF CIRCUMSTANCES, COMPANIES SEE NO POSSIBILITY OF GOVERNMENT COMING ANYWHERE NEAR REALIZATION OF PREVIOUSLY ANNOUNCED TARGET OF 8,000 ADDITIONAL JOBS IN ASBESTOS INDUSTRY.

#### 14. LABOR

COMPANY OFFICIALS BELIEVE THERE MAY BE SERIOUS LABOR PROBLEMS IN ASBESTOS INDUSTRY THIS FALL. AS RESULT OF PREVIOUS INDUSTRY-WIDE STRIKE, CONTRACTS IN ASBESTOS INDUSTRY COME UP FOR RENEWAL OCTOBER 14. JOHNS-MANVILLE, HOWEVER, HAS ADVANTAGE OF DEALING LIMITED OFFICIAL USE

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WITH MODERATE CSD, A GROUP THAT BROKE AWAY FROM CNTU LAST YEAR, AND HOPES TO ANNOUNCE NEW CONTRACT WITHIN NEXT FEW DAYS. CONTRACTS WILL EXCEED AIB GUIDELINES AND JOHNS-MANVILLE'S MAIN WORRY SEEMS TO BE WHETHER CONTRACT WILL BE APPROVED BY GOVERNMENT. ASBESTOS CORP., LAKE ASBESTOS, AND CAREY CANADIAN ALL MUST DEAL WITH MORE RADICAL CNTU UNION LED BY NORBERT RODRIGUE. CAREY CANADIAN HAS PARTICULARLY RABID CNTU UNION. OTHER UNION WITH MEMBERSHIP IN ASBESTOS INDUSTRY IS STEEL WORKERS UNION, WHICH BELONGS TO FTQ GROUPING LED BY MORE MODERATE LOUIS LABERGE. WITH UNIONS BEGINNING INCREASINGLY TO SHOW DISSATISFACTION WITH PQ GOVERNMENT, WITH SOME UNIONS PROPOSING WORKER TAKEOVER OF MINES, AND WITH RELATIONS BETWEEN FTQ AND MORE RADICAL UNIONS BECOMING INCREASINGLY STRAINED, ASBESTOS INDUSTRY MAY BE FACING ROUGH PERIOD. REPORTS OF POSSIBLE RAIDING BY RIVAL UNIONS ARE ALREADY CIRCULATING.

#### 15. MAGNESIUM EXTRACTION

WITH REGARD TO RECENT PRESS ARTICLES ON NEW BREAKTHROUGH IN TECHNOLOGY TO EXTRACT MAGNESIUM FROM ASBESTOS WASTES, COMPANIES ARE SKEPTICAL. COMPANIES THEMSELVES HAVE SPENT LARGE AMOUNTS OF MONEY ON RESEARCH AND HAVE BEEN UNABLE TO FIND ECONOMICAL USE OF ASBESTOS TAILINGS AND WASTE. RECENT NEWS ITEMS REGARDING RESEARCH BEING DONE AT UNIVERSITY OF SHERBROOKE ARE BASED ONLY ON BENCH TESTS, WITH NO PILOT TESTS HAVING BEEN RUN ON ECONOMICS OF UTILIZATION. WHILE THEORY MAY BE SOUND, COMPANIES DO NOT BELIEVE THE PROCESS WOULD BE ECONOMICALLY FEASIBLE. AT ANY RATE, IT WOULD BE MANY YEARS BEFORE PROJECT COULD RESULT IN ANY REAL BENEFITS FOR INDUSTRY.

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16. COMMENT & CONCLUSION  
WITH LITTLE IN WAY OF HARD INFORMATION ON NEW GOVERNMENT POLICY,  
IT IS RISKY TO PREDICT NEW POLICY CONTENT. TIGHTER HEALTH RE-  
GULATIONS, HOWEVER, ARE A CERTAINTY, WITH UNKNOWN BEING  
TIMEFRAME FOR COMPLIANCE. BY SETTING SHORT PERIOD,  
GOVERNMENT IN EFFECT COULD LEGISLATE ASBESTOS CORP. OUT OF  
BUSINESS. WHILE LARGE QUOTA OF GOVERNMENT'S IRE APPEARS TO BE  
DIRECTED AT ASBESTOS CORP., TAKE OVER BY GOVERNMENT WOULD BE  
COSTLY, ANYWHERE FROM \$70-100 MILLION, AND GOVERNMENT WOULD BE  
LEFT WITH DIRTY MILLS THAT COULD REQUIRE ADDITIONAL INVESTMENT  
OF AS MUCH AS \$50 MILLION TO BRING OPERATIONS UP TO SHOWCASE  
STANDARDS THAT ONE WOULD EXPECT GOVERNMENT TO SET FOR ENTRY  
INTO ASBESTOS INDUSTRY.

17. SIMILARLY, GOVERNMENT IS COMMITTED TO INCREASE OF PRO-  
CESSING ACTIVITIES IN QUEBEC. JOINT VENTURES ARE A GOOD BET  
AND COMPANIES ARE WILLING TO COOPERATE, WITH THE PROPER INCEN-  
TIVES. GREATER USE OF ASBESTOS PRODUCTS IN PUBLIC PROJECTS  
IS ALSO LIKELY. WE KNOW THERE IS SOME SUPPORT WITHIN GOVERN-  
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MENT FOR PARTICIPATION IN MARKETING THROUGH ESTABLISHMENT OF  
A MARKETING BOARD, BUT WE QUESTION WHY GOVERNMENT WOULD WILLING-  
LY TAKE ON RESPONSIBILITIES OF MARKETING IN COMPETITIVE  
INTERNATIONAL ARENA. DIRECT ENTRY OF GOVERNMENT INTO  
ASBESTOS MINING COULD BE ACHIEVED BY PURCHASE OF INTEREST IN



BRINCO'S UNDEVELOPED DEPOSITS IN ABITIBI, WHICH WERE PREVIOUSLY OFFERED TO PROVINCIAL GOVERNMENT.

18. BARRING MAJOR SUBSIDIES, FISCAL INCENTIVES, AND DIRECT MARKET INTERVENTION IT IS CERTAIN THAT THE GOVERNMENT WILL HAVE TO SETTLE FOR MODEST INCREASES IN EMPLOYMENT, PROBABLY LESS THAN 1,000 NEW JOBS. AS FOR PROCEDURES, WE ANTICIPATE THAT GOVERNMENT, AFTER ANNOUNCING POLICY GUIDELINES, WILL CALL FOR GENERAL MEETING WITH INDUSTRY, PERHAPS IN JULY. COMPANIES WOULD THEN BE GIVEN SCHEDULE FOR INDIVIDUAL RESPONSES AND FOR PROPOSALS TO MEET GOVERNMENT OBJECTIVES. WHILE PQ HAS ITS CONSTITUENCY WHICH MUST BE RECOGNIZED, IT IS SIMILARLY AWARE OF NEED TO MAINTAIN ITS CREDIBILITY IN BUSINESS AND FINANCIAL SECTOR. IN LAST ANALYSIS, WE WOULD GUESS THAT COMPANIES WILL FIND IT EASIER TO LIVE WITH NEW ASBESTOS POLICY THAN WILL UNIONS AND PQ MILITANTS.  
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